



REQUEST FOR PROPOSAL (RFP)
For
the Capacity Building of UCF MSMEs to develop bankable business plans to apply for loans from BFIS

NAME & ADDRESS OF FIRM:	DATE: May 4, 2018
	REFERENCE: UNDP /RFP/07/2018

Dear Sir / Madam:

We kindly request you to submit your Proposal for **Capacity Building of UCF MSMEs to Develop Bankable Business Plans to Apply for Loans from BFIS**.

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted **on or before Wednesday, May 16, 2018 via courier mail or hand delivery to the address below:**

Ref: UNDP/RFP/07/2018
The Registry,
United Nations Development Programme
UN House, Pulchowk, Lalitpur, Nepal
[insert fax number and email address of the focal person]

Your Proposal must be expressed in English, and valid for a minimum period of 120 days

A Pre-Bid Meeting will be held on 9 May 2018 at 3:00 PM at the UN Conference Room, UN House, Pulchowk, Lalitpur. All interested parties are highly encouraging to attend the Pre-Bid Meeting.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty-five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link: <http://www.undp.org/procurement/protest.shtml>.

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link :http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,



Deepak Shrestha
Procurement Analyst
5/4/2018

Description of Requirements

Context of the Requirement	<p>A total of 159 MSMEs from seven UNNATI districts of Eastern Region of Nepal have signed agreement with UNNATI Component 1.1 to receive grant for the commercialization of the above-mentioned value chains. Many of such grantees have been able to mobilize equity fund to match the grant assistance and have already started their new venture. However approximately 57 of such grantees have not been able to mobilize equity fund and would need credit from banks and financial institutions (BFIs). Through the support of UNNATI A2F programme, BFIs have expanded their existing networks beyond the district headquarters and thus MSMEs can avail credit from BFIs. However, due to the lack of skill on the part of the MSMEs to prepare bankable business plans to submit to the banks for applying the loans, they have not been able to avail banking services. It is in this context that, UNNATI A2F Project is seeking services from qualified Business Acceleration/Incubation Firms in offering capacity building business plan development services to the UCF Grantees of Component 1.1 that will be acceptable by the banks to offer credit line.</p> <p>The main objective of the assignment is to provide mentoring, guidance and support to 57 agricultures based MSMEs partnered with UNNATI Component 1.1 to take their innovate their business models and prepare a sound, sustainable and scalable business plan based on it and in doing so, transfer knowledge and skills that empower the MSMEs to realize full growth potential of their business models. The specific objectives are:</p> <ol style="list-style-type: none"> 1. Mentor selected UNNATI partner MSMEs on their existing business models and how they could re-define structure and organize their actions to increase market share and improve profitability. 2. Provide guidance to UNNATI partner MSMEs on matters related to raising debt from BFIs (Banks and Financial Institutions) and various method of raising equity from the Nepali Market. 3. Provide handholding support to partner MSMEs on developing a bankable Business Proposal which should include marketing plans and marketing schemes and campaigns and improve their financial management and accounting discipline. 4. Support UNNATI partner MSMEs on usage of appropriate technology available in their respective businesses.
Implementing Partner of UNDP	Nepal Rastra Bank

Brief Description of the Required Services ¹	<p>The Consulting firms will develop Capsule Program for each MSMEs that would cover:</p> <ol style="list-style-type: none"> 1. Purpose and Vision: Defining the vision and mission of UNNATI partner MSMEs to: <ol style="list-style-type: none"> i. Identify Problems ii. Develop Value Proposition iii. Enable MSMEs to execute Competitive Analysis iv. Develop Core Team Strength and Culture 2. Strategy: Provide MSMEs guidance and mentoring on how to develop appropriate business canvas for their business through: <ol style="list-style-type: none"> i. Business Model Innovation ii. Planning iii. Strategy Canvas iv. Value Proposition Alignment 3. Management and Growth: Mentor, guide and support agri based MSMEs on how run to lean and conserve resources while maximizing on value through: <ol style="list-style-type: none"> i. Customer Acquisition ii. Enhance product quality and diversification to different agri product derivatives iii. Agile Resources iv. Financial Planning 4. Branding and Marketing: Disseminate effective methods and strategies to establish a strong brand and to develop new and innovative distribution channels and sourcing mechanisms: <ol style="list-style-type: none"> i. Customer Journey ii. Inbound/Outbound Marketing iii. Pipeline Management iv. Distribution Management v. Sourcing Tools 5. Negotiation and Pitch: Impart negotiations skills, pitch techniques and presentation skills to UNNATI partner MSMEs. 6. The Acceleration/Incubation Firms will liaise with partner BFIs of UNNATI A2F: Understand requirements of partner BFIs to provide loans to MSMEs. Mentor and develop business plans/proposals of partner MSMEs in accordance with BFIs' requirements. 										
List and Description of Expected Outputs to be Delivered	<table border="1"> <thead> <tr> <th data-bbox="472 1272 922 1304">ACTIVITIES/EXERCISES</th><th data-bbox="922 1272 1442 1304">DELIVERABLE</th></tr> </thead> <tbody> <tr> <td data-bbox="472 1304 922 1367">Partner Bank consultation</td><td data-bbox="922 1304 1442 1367">Bank requirement report of at least 3 'A' class partner banks</td></tr> <tr> <td data-bbox="472 1367 922 1493">Develop a Marketing Plan for each MSME covering 'Go to Market' strategy and a 'Marketing Campaign/Scheme'</td><td data-bbox="922 1367 1442 1493">'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme for each agri based MSME</td></tr> <tr> <td data-bbox="472 1493 922 1556">Develop a Business Plan or Business proposal for investors/BFIs</td><td data-bbox="922 1493 1442 1556">Business proposal/Business Plan for each selected UNNATI partner MSME</td></tr> <tr> <td data-bbox="472 1556 922 1629">Understanding Business Model Canvas</td><td data-bbox="922 1556 1442 1629">Business Model Canvas for each agri based MSME</td></tr> </tbody> </table>	ACTIVITIES/EXERCISES	DELIVERABLE	Partner Bank consultation	Bank requirement report of at least 3 'A' class partner banks	Develop a Marketing Plan for each MSME covering 'Go to Market' strategy and a 'Marketing Campaign/Scheme'	'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme for each agri based MSME	Develop a Business Plan or Business proposal for investors/BFIs	Business proposal/Business Plan for each selected UNNATI partner MSME	Understanding Business Model Canvas	Business Model Canvas for each agri based MSME
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Person to Supervise the Work/ Performance of the Service Provider	Saroj Nepal, National Programme Coordinator, UNCDF Nepal										

¹A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

Frequency of Reporting	-
Progress Reporting Requirements	
Location of work	<input checked="" type="checkbox"/> At Contractor's Location in Kathmandu, and respective UNNATI Districts.
Expected duration of work	Cluster 1: 85 days excluding travel days Cluster 2: 85 days excluding travel days Cluster 3: 81 days excluding travel days
Target start date	28 May 2018
Latest completion date	30 September 2018
Travels Expected	Cluster 1: Jhapa and Ilam Cluster 2: Ilam, Taplejung and Panchthar Cluster 3: Tehrathum, Sankhuwasabha, Dhankuta, Bhojpur
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Others: Not required
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> Others: None
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required
Currency of Proposal	<input type="checkbox"/> <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency
Value Added Tax on Price Proposal ²	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes

²VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

Validity Period of Proposals (<i>Counting for the last day of submission of quotes</i>)	<input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input checked="" type="checkbox"/> 120 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.			
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted [<i>pls. provide conditions for partial quotes, and ensure that requirements are properly listed to allow partial quotes (e.g., in lots, etc.)</i>]			
Payment Terms ³	Outputs	Percentage	Timing	Condition for Payment Release
	Upon submission of time bound roll-out plan describing activities, steps, methodologies and tools to be followed to accomplish the assignment.	20%	As per ToR	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	Upon submission of 'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of 9 of the MSMEs.	40%		
	Upon submission of 'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of the remaining MSMEs.	30%	As per ToR	
	Upon submission of the Task Completion Report	10%	As per ToR	
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Saroj Nepal, National Programme Coordinator, UNCDF Nepal UNNATI-Access to Finance Project.			

³UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement ⁴ <input type="checkbox"/> Other Type of Contract
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non- acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p><u>Technical Proposal: Total Score 1000</u></p> <input checked="" type="checkbox"/> Demonstrated evidence of reputation, capacity of the organization and professional experience related to the assignment. (200 Points) <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the assessment and recommendation of action plan (400 Points) <input checked="" type="checkbox"/> Personal (400 points) <input checked="" type="checkbox"/> CVs of the Team Leader that will be working on the project and his/her expertise in this area and total number of days that will be spent by team leader <input checked="" type="checkbox"/> CVs of the team members that will be working on the project and their expertise in this area and total number of days that will be spent by team members
UNDP will award the contract to:	<input checked="" type="checkbox"/> Service Provider per cluster (s) one or more
Annexes to this RFP ⁵	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3)⁶ <input checked="" type="checkbox"/> Detailed TOR [optional if this form has been accomplished comprehensively] <input type="checkbox"/> Others ⁷ [pls. specify]

⁴ Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.

⁵ Where the information is available in the web, a URL for the information may simply be provided.

⁶ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁷ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

<p>Contact Person for Inquiries (Written inquiries only)⁸</p>	<p>Registry, UNDP Nepal UN House, Pulchowk, Lalitpur, Nepal Email: query.procurement.np@undp.org Written inquiries must be submitted mentioning RFP Ref: UNDP/RFP/07/2018, on or before 11 am Nepal Standard Time on 9 May 2018 http://www.np.undp.org/content/nepal/en/home/operations/procurement.html. The response will be posted in the same RFP as bulletin.</p> <p>Inquiries received after the above date and time shall not be entertained.</p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
<p>Other Information <i>[pls. specify]</i></p>	<p>The Financial evaluation will be carried out only for the technically qualified submissions that passed the minimum technical score of 70% (700 points) of the obtainable score of 1000 points in the evaluation of the technical proposals.</p> <p>All interested firm or companies are eligible to apply for all cluster. The Technical Proposal and Financial Proposal Envelopes <u>MUST BE SEPARATE FOR EACH CLUSTER.</u> Similarly, technical and financial proposals must be submitted <u>sealed individually</u> and clearly marked on the outside as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each envelope MUST clearly indicate the name of the Proposer.</p> <p>The outer envelope shall be</p> <p>Addressed to: The Registry United Nations Development Programme <i>UN House, Pulchowk</i> <i>Lalitpur, Nepal</i></p> <p>Marked with:</p> <p style="text-align: center;">UNDP/RFP/07/2018 CLUSTER NO. Capacity Building of UCF MSMEs to Develop Bankable Business Plans to Apply for Loans from BFIS.</p>

⁸This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

Summary of Technical Proposal Evaluation Forms	Score Weight	Points Obtainable
Expertise of the Firm	20%	200
Team composition	40%	400
Proposed Methodology, Approach and Implementation Plan	40%	400
Total		

Form 1: Technical Proposal Evaluation		Points obtainable
Expertise of the Firm (200 points)		
1.1	Having worked in Agricultural Finance, Agriculture Value Chain Finance activities in national/international level;	40
1.2	Evidence of having successfully conducted Business Acceleration/Incubation services a country or regional level with proven excellent results with an experience for at least 5 years	80
1.3	Evidence of high quality of documentation, packaging, and disseminating technical knowledge and skill to BFIs and Venture Capital Firms .	80
TOTAL FORM 1		200
Form 2: Technical Proposal Evaluation		
Team Composition (400 points)		
2.1.1	Business Acceleration Experts (2 persons)	280
	Master's Degree in Economics, Finance, Agriculture Economics, Business Administration or related discipline from a reputed university	28
	At least 5 years of experience in conducting operational analysis, authoring business plans, and marketing plans	56
	At least 2 years of experience in mentoring coaching to Nepalese MSMEs	56
	Sound technical knowhow and expertise on the challenges faced by Nepalese startup and growth stage MSMEs and possible solutions	112
	Strong report writing and analytical skills, with outstanding written and oral communication skills in English and Nepali	28
2.1.2	Business Planning Associate (2 persons)	120
	Bachelor's Degree in Economics, Finance, Agriculture Economics, Business Administration or related discipline from a reputed university	12
	At least 3 years of experience in market research, agriculture value chain finance business	48
	Technical knowledge of agriculture value chain financing needs of MSMEs and thorough understating of how value chain financing works;	48
		12

	Strong report writing and analytical skills, with outstanding written and oral communication skills in English and Nepali	
Total Form 2		400
Form 3: Technical Proposal Evaluation		
Proposed Methodology, Approach and Implementation Plan (400 points)		
3.1	Extent to which the offeror provided a clear and detailed description of the methodology in achieving the requirements referred to in the ToR	100
3.2	Extent to which the offeror understands the task's objective	50
3.3	Extent to which the offeror addressed all required tasks in a clear, logical and realistic manner including the timeline for implementation of activities (vis-à-vis clarity of the matrix of business planning to different MSMEs over different times).	50
3.4	Extent to which the offeror ensures effective and efficient provision of simultaneous services to multiple MSMEs. Extent to which the proposed monitoring and reporting mechanism (management of information flow, coordination, periodic review of work completed, feedback mechanism and follow up with deadlines and commitments) is efficient.	100
3.5	Method proposed to monitor business planning and coaching including method proposed to deal with any unforeseen situation that might affect the implementation of the project. What risk mitigation measures are proposed.	50
3.6	Is the proposed Quality Assurance mechanism in implementing the required services acceptable?	50
TOTAL FORM 3		400

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁹

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery¹⁰)

[insert: Location].
[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

- a) *Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) *Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) *Latest Audited Financial Statement – income statement and balance sheet to indicate Its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) *Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contact references;*
- e) *Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) *Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UNDP Ineligibility List.*

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.

C. Qualifications of Key Personnel

⁹This serves as a guide to the Service Provider in preparing the Proposal.

¹⁰ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

If required by the RFP, the Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.

D. Cost Breakdown per Deliverable*

Please Include separate cost breakdown for each cluster indicating the cluster number.

S.N.	Deliverables [list them as referred to in the RFP]	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	First Payment - Upon submission of time bound roll-out plan describing activities, steps, methodologies and tools to be followed to accomplish the assignment.	20%	
2	Second Payment - Upon submission of 'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of 9 MSME.	40%	
3	Third Payment Upon submission of 'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of the remaining MSME.	30%	
4	Final Payment - Upon submission of the Task Completion Report including detailed orientation to the concerned MSMEs.	10%	
	Total	100%	

**This shall be the basis of the payment tranches*

E. Cluster wise Cost Breakdown by Cost Component (indicate the cluster)¹¹:

Description of Activity:	Qty	No of days of engagement	Unit Cost	Total cost
I. Personnel Services (Remuneration) 2 Team				
Team Leader: Cluster No.	2			
Team members: Cluster No.	2			
II. Out of Pocket Expenses (please select only the applicable items)				
1. Travel Costs: Travel to program district and within municipalities for consultants Lump sum amount		Lumpsum		

¹¹ Include separate cost breakdown for each cluster indicating the cluster number if bidding for more than one cluster.

2. <u>Daily Subsistence Allowance for 2 Team</u> • Team Leader Cluster No.	2			
• Team member Cluster No.	2			
4. Stationary and Printing materials				
5. Cost associated with the field work such as meetings, interviews and focused group discussion (a detailed breakdown may be presented in a separate sheet)		Lumpsum		
III. Other Related Costs				
Sub-Total (I, II and III)				
VAT 13% (if applicable)				
Grand Total				

Note:

N.B. Administrative and all other associated costs need to be built into the above headings proportionately.

Proposal will be disqualified if it does not follow the above price schedule format.

Offerors can attach details of the cost breakdown as Annexes

Number of personnel and required days to deliver the services has been set by UNDP as indicated on the table above.

*[Name and Signature of the Service Provider's
Authorized Person]*

[Designation]

[Date]

UNNATI-Access to Finance (A2F)



TERMS OF REFERENCE

POST TITLE: CAPACITY BUILDING OF UCF MSMEs TO DEVELOP BANKABLE BUSINESS PLANS TO APPLY FOR LOANS FROM BFIS

AGENCY/PROJECT NAME: UNNATI Access to Finance (A2F) Project (UNCDF)

PLACE OF ASSIGNMENT: Kathmandu and Eastern Development Region

1. GENERAL BACKGROUND

UN Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 48 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help financial service providers reach more poor households and small businesses through inclusive finance approach, and local governments finance the capital investments that will improve poor peoples' lives.

In Nepal, UNCDF is implementing Danida funded Access to Finance component of UNATTI programme through National Implementation Modality (NIM) in partnership with Nepal Rastra Bank (NRB).

UNNATI programme has been designed to enhance and improve agricultural sector in Nepal. The Danish Government has made an allocation of DKK 400 million (approx. US\$ 70 million) for support to the Inclusive Growth Programme in Nepal (UNNATI). The objective of UNNATI is "Promotion of sustainable inclusive growth that reduces poverty and raises living standards." There are two subcomponents of the first component of UNNATI- the Value Chain Component. While Component 1.1 Commercialization of selected value chains (ginger, cardamom, tea and dairy) focuses on supporting market linkages and value addition within the abovementioned value chains, the purpose of Component 1.2- Access to financial services (A2F), is to support financial service providers to more effectively serve the agricultural value chain actors with appropriate financial products, thereby enabling smallholder farmers and MSMEs to invest into their value chain activities leading to the sustained improvement in competitiveness of the selected value chains.

The UNNATI-A2F Project interventions will have national impact with a specific focus given to the Eastern region of Nepal, under the umbrella of UNNATI, specifically in the seven districts of Mechi and Koshi corridor - Ilam, Panchthar, Tehrathum, Bhojpur and Dhankuta (located in the mid-hills) and Taplejung and Sankhuwasabha (located in the mountain region).

2. RATIONALE

About 159 MSMEs from seven UNNATI districts of Eastern Region of Nepal have signed agreement with UNNATI Component 1.1 to receive grant for the commercialization of the above-mentioned value chains. Many of such grantees have been able to mobilize equity fund to match the grant assistance and have already started their new venture. However approximately 57 of such grantees have not been able to mobilize equity fund and would need credit from banks and financial institutions (BFIs). Through the support of UNNATI A2F programme, BFIs have expanded their existing networks beyond the district headquarters and thus MSMEs can avail credit from BFIs. However, due to the lack of skill on the part of the MSMEs to prepare bankable business plans to submit to the banks for applying

the loans, they have not been able to avail banking services. It is in this context that, UNNATI A2F Project is seeking services from qualified Business Acceleration/Incubation Firms in offering capacity building and business plan development services to the UCF Grantees of Component 1.1 that will be acceptable by the banks to offer credit line.

3. OBJECTIVES OF THE ASSIGNMENT

The main objective of the assignment is to provide mentoring, guidance and support to 57 agriculture based MSMEs partnered with UNNATI Component 1.1 to take their innovate their business models and prepare a sound, sustainable and scalable business plan based on it and in doing so, transfer knowledge and skills that empower the MSMEs to realize full growth potential of their business models. The specific objectives are:

1. Mentor selected UNNATI partner MSMEs on their existing business models and how they could re-define structure and organize their actions to increase market share and improve profitability.
2. Provide guidance to UNNATI partner MSMEs on matters related to raising debt from BFIs (Banks and Financial Institutions) and various method of raising equity from the Nepali Market.
3. Provide handholding support to partner MSMEs on developing a bankable Business Proposal which should include marketing plans and marketing schemes and campaigns and improve their financial management and accounting discipline.
4. Support UNNATI partner MSMEs on usage of appropriate technology available in their respective businesses.

5. SCOPE OF WORK

The Consulting firms will develop Capsule Program for each MSMEs that would cover:

1. Purpose and Vision: Defining the vision and mission of UNNATI partner MSMEs to:
 - i. Identify Problems
 - ii. Develop Value Proposition
 - iii. Enable MSMEs to execute Competitive Analysis
 - iv. Develop Core Team Strength and Culture
2. Strategy: Provide MSMEs guidance and mentoring on how to develop appropriate business canvas for their business through:
 - i. Business Model Innovation
 - ii. Planning
 - iii. Strategy Canvas
 - iv. Value Proposition Alignment
3. Management and Growth: Mentor, guide and support agri-based MSMEs on how run to lean and conserve resources while maximizing on value through:
 - i. Customer Acquisition
 - ii. Enhance product quality and diversification to different agri product derivatives
 - iii. Agile Resources
 - iv. Financial Planning
4. Branding and Marketing: Disseminate effective methods and strategies to establish a strong brand and to develop new and innovative distribution channels and sourcing mechanisms:
 - i. Customer Journey
 - ii. Inbound/Outbound Marketing
 - iii. Pipeline Management
 - iv. Distribution Management

v. Sourcing Tools

5. Negotiation and Pitch: Impart negotiations skills, pitch techniques and presentation skills to UNNATI partner MSMEs.
6. Liaison with partner BFIs of UNNATI A2F: Understand requirements of BFIs to provide loans to MSMEs through consultation with at least 3 banks. Mentor and develop business plans/proposals of partner MSMEs in accordance with BFIs' requirements.
7. All the above activities will be conducted in close coordination with UNNATI project Component 1.1, Component 1.2, & A2F Banks and MSMEs.

6. TEAM COMPOSITION, TIMELINE, DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

The MSME's requiring business planning support are scattered in 9 districts within the Eastern region of Nepal. They have been divided into 3 clusters. UNCDF seeks to employ at least one firm for each cluster to complete this assignment.

- The bidding firm should deploy at least 2 teams consisting of 2 persons each mobilized simultaneously in each cluster.
- Should a single firm wish to bid in more than one cluster, it is required to mobilize different teams. In addition, their technical and financial proposals should clearly indicate the clusters they wish to bid in. Proposed teams for each cluster should be presented separately along with a separate financial proposal per cluster.
- Mobilized teams are expected to travel to the MSME's locations to conduct the assignment. The details of MSME's in each cluster is annexed to the ToR
- The assignment should start as soon as possible running up to end September 2018.
- Estimated days for each firm:

Activity	Days
Partner Bank Consultation	2
Preparation	2
MSME Consultation	4 days per MSME * no of MSME in each cluster
Report Finalization	5
Travel	As required

- Duty Station: Field based including travel to partner MSMEs locations in the UNNATI project districts. The Acceleration/Incubation Firms will provide the services from their existing office and/or may use the UNNATI A2F Office space in Kathmandu and Dharan, as and when required.

7. EXPECTED OUTPUTS, DELIVERABLES, AND PAYMENT SCHEDULE

ACTIVITIES/EXERCISES	DELIVERABLE
Partner Bank consultation	Bank requirement report of at least 3 'A' class partner banks
Develop a Marketing Plan for each MSME covering 'Go to Market' strategy and a 'Marketing Campaign/Scheme'	'Go to Market' Strategy Report and Paper on a New Marketing Campaign/Scheme for each agri based MSME

Develop a Business Plan or Business proposal for investors/BFIs	Business proposal/Business Plan for each selected UNNATI partner MSME
Understanding Business Model Canvas	Business Model Canvas for each agri based MSME

Payment Schedule: The mode of payment will be:

- 20 % upon submission of time bound roll-out plan describing activities, steps, methodologies and tools to be followed to accomplish the assignment.
- 40% upon submission of ‘Go to Market’ Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of 9 of the MSMEs.
- 30 % upon submission of ‘Go to Market’ Strategy Report and Paper on a New Marketing Campaign/Scheme, business plans, Business Model Canvas of the remaining MSMEs.
- 10 % upon submission of the Task Completion Report including detailed orientation to the concerned MSMEs..

8. PROVISION OF MONITORING AND PROGRESS CONTROLS

a) *Reporting Line*

The service provider will report to the UNCDF National Programme Coordinator in Nepal. The reports submitted will be reviewed and approved by a committee within UNCDF.

b) *Reporting language*

The reporting language will be in English.

c) *Progress reporting:*

The following reporting (in writing) is expected:

- Initial roll out plan consolidating all interventions, methodologies and tools for MSMEs in each cluster (Inception Report)
- Bank requirement report
- Consolidated monthly reporting following the consolidated work plan (narrative reporting is only required for delayed activities)
- ‘Go to Market’ strategy and a ‘Marketing Campaign/Scheme’, Business Plan and Business Model Canvas for each MSME once completed
- Task completion report (final report) comprising of the coaching and mentoring element

9. QUALIFICATION AND EXPERIENCE

The **Firm** applying for this task has to have at least the following qualification and experience:

- i. Having worked in Agricultural Finance, Agriculture Value Chain Finance activities in national/international level;
- ii. Successfully conducted business Acceleration/Incubation services in a country or regional level with proven excellent results with an experience of at least 3 years;
- iii. Evidence of high quality of documentation, packaging, and disseminating technical knowledge and skill as in the objectives to a wide range of audiences.
- iv. Have confirmed human resources to cover all planned/required activities.
- v. Knowledge of Nepalese financial sector as well as socio-economic and geo-political drivers in Nepal will be an added advantage;
- vi. Preferably having work experience in SAARC region including Nepal.

The firm is expected to mobilize two teams of two persons (comprising of a Business Acceleration Expert and a Business Planning Associate) per cluster. The bidding firm should submit CV of at least 4 persons.

Business Acceleration Expert should meet the following requirements:

- i. Master's Degree in Economics, Finance, Agriculture Economics, Business Administration or related discipline from a reputed university,
- ii. At least 5 years of experience in conducting operational analysis, authoring business plans, and marketing plans.
- iii. At least 2 years of experience in mentoring coaching to Nepalese MSMEs
- iv. Strong technical knowhow and expertise on the challenges faced by Nepalese startup and growth stage MSMEs and possible solutions
- v. Strong report writing and analytical skills, with outstanding written and oral communication skills in English and Nepali

Business Planning Associate should meet the following requirements:

- i. Bachelor's Degree in Economics, Finance, Agriculture Economics, Business Administration or related discipline from a reputed university,
- ii. At least 3 years of experience in market research, agriculture value chain finance business module development
- iii. Technical knowledge of agriculture value chain financing needs of MSMEs and thorough understating of how value chain financing works;
- iv. Strong report writing and analytical skills, with outstanding written and oral communication skills in English and Nepali

SELECTION CRITERIA FOR THE FIRM AND APPLICATION DETAILS

- Multiple firms are being sought to provide services as per this ToR. Each firm should provide their technical and financial proposal to cover MSMEs in at least one cluster.
- Technical proposal should include detailed framework of activities for the four-day intensive work with each MSMEs, including approach and methodology to be used.
- Transportation, and DSA during the field visit of the UNNATI project districts for the team of consultants should also be included in the financial proposal along with fees for the service.
- The service provider willing to submit a proposal under this assignment should be registered in VAT and should possess up to date income tax related documents.
- Technical Proposal 70%: Technical proposal should include approach and methodology to be applied to undertake the assignment.
- Financial Proposal 30%: Financial proposal should include fees and operational expenses including travels related to the assignment.

General Terms and Conditions for Services

1.0 LEGAL STATUS:

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2.0 SOURCE OF INSTRUCTIONS:

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4.0 ASSIGNMENT:

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5.0 SUB-CONTRACTING:

In the event the Contractor requires the services of sub-contractors; the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

- 8.1** The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
- 8.4.1** Name UNDP as additional insured;
 - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
 - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
 - 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT:

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.
- 11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

11.3 At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

11.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

13.1 The recipient ("Recipient") of such information shall:

13.1.1 use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,

13.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.

13.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

13.2.1 any other party with the Discloser's prior written consent; and,

13.2.2 the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

13.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

13.2.2.2 any entity over which the Party exercises effective managerial control; or,

13.2.2.3 for the UNDP, an affiliated Fund such as UNDP, UNIFEM and UNV.

13.3 The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

13.4 The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

16.1 Amicable Settlement: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event, any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21.0 OBSERVANCE OF THE LAW:

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22.0 SEXUAL EXPLOITATION:

22.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

22.2 The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official.